



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Friday, September 10, 2004

Grassley: PhRMA can help fight fraud against government health care programs

WASHINGTON — Sen. Chuck Grassley said the second letter he received from the country's leading association of pharmaceutical companies is more encouraging than the first regarding efforts to prevent fraud against the taxpayers in drug pricing and billing.

In July, Grassley urged the nation's 18 top drug makers to inform their employees about the False Claims Act, which allows individual citizens with evidence of fraud against government contracts and programs to sue on behalf of the government in order to recover the stolen funds. In August, the president of PhRMA, the Pharmaceutical Research and Manufacturers of America, sent unsolicited comments to Grassley that were highly critical of the False Claims Act.

"I'm glad to receive this second letter from PhRMA and to learn that PhRMA has decided to forward my letter about the False Claims Act to its members," Grassley said. "The threat of pharmaceutical fraud against federal government health care programs is significant because of the billions of dollars involved. The False Claims Act has proven to be the government's most effective tool against health care fraud. I appreciate anything PhRMA can do to help fight fraud against government health care programs."

The text of the September letter from PhRMA to Grassley follows here. Grassley was the principal Senate sponsor of the 1986 updates to the False Claims Act. Since then, the law has returned more than \$12 billion to the federal Treasury that otherwise would have been lost to fraud. Grassley is a senior member of the Judiciary Committee and chairman of the Finance Committee, which is responsible for health care legislation and oversight of the government agency that administers the federal health care programs.

September 8, 2004

The Honorable Charles E. Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510-6200

Dear Mr. Chairman:

Thank you for your letter of August 26, responding to my letter of August 13 concerning the False Claims Act (FCA). We appreciate the leadership you have demonstrated over many years in support of government-financed health care programs and the prevention of fraud and abuse in these programs.

PhRMA members are fully committed to compliance with the fraud and abuse laws, and to the fair and effective enforcement of those laws, including the FCA.

We have distributed your letter to all PhRMA members. PhRMA staff will be in touch with [your] Finance Committee staff to follow up on these issues. You have my continuing commitment to work with you and your staff in support of the millions of patients who benefit from pharmaceuticals and other health care delivered through Medicare, Medicaid, and other governmental programs.

Sincerely,

Alan F. Holmer